

**QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT  
COMMITTEE**

**ON**

**MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE  
ABUSE SERVICES**

**SESSION LAW 2001-437**

**July 1, 2003 to September 30, 2003**

This quarterly report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of July 1 through September 30, 2003 and provides information on major developments as the Division implements reform.

**Section I: Major developments for this quarter include:**

- ❑ System reform continues to move steadily forward.
- ❑ The reorganization of the Division is completed and the Division is operating under the new organizational structure.
- ❑ Tara Larson, Deputy Director of the Division has taken a new position within the Department Of Health and Human Services. The position is with the Division of Information/Resource Management (DIRM).
- ❑ All Team leaders have been hired except for the Quality Improvement Team Leader.
- ❑ State Plan 2003: Blueprint for Change was finalized and distributed.
- ❑ The Child Mental Health Plan was finalized and distributed.
- ❑ The Public Policy Work Group continues its work. This group is comprised of representatives from the Division, Area/County Programs and County Managers. The group meets twice monthly to discuss policy issues regarding MH reform.
- ❑ The External Stakeholder Group, which was appointed by Secretary Carmen Hooker-Odom and Division Director Richard Visingardi, continues to meet. This group was established to assist the Division with necessary policy development as a part of Mental Health reform implementation. The Stakeholder Group includes representatives from the major parties to reform. Each of the disability sub-coalitions of Coalition 2001 has three representatives. Additional representatives include area directors, the Council of Community Programs, the NC Association of County Commissioners, as well as providers and advocates.

## **Section II: Statutory Items**

### **1. Division Reorganization**

The reorganization of the Division is completed and the Division is operating under the new organizational structure. All team leaders, except the Quality Improvement Team Leader, have been hired and are leading their teams in carrying out assigned duties and responsibilities.

Tara Larson, Deputy Director of the Division has taken a new position within the Department Of Health and Human Services. The position is with the Division of Information/Resource Management (DIRM) in the role of Projects Manager. In order to ensure “no wrong door,” issues that were previously brought to the Division through the Deputy Director can now be presented to any of the Division’s Chiefs. These individuals will make certain that the issue is directed to the right person or persons for follow-through.

### **2. State Plan 2003: Blueprint for Change**

State Plan 2003: Blueprint for Change was finalized and posted on the Division’s website and distributed in hardcopy on July 1, 2003. State Plan 2003 provides an overview of continued progress and lays the foundation for the key activities and events that must occur in the upcoming year to keep reform moving forward. The state Operations Plan, which specifies the outcomes to be achieved and products delivered has been developed. Responsibilities for these outcomes and products have been assigned to Division team leaders. The development process will include people with an interest in how the system works.

The Child Mental Health Plan was finalized and posted on the Division’s website and distributed in hardcopy on September 8, 2003. The Child Mental Health Plan provides the initial direction for developing a children’s system that is most responsive to the lives of children, families and communities.

### **3. Local Systems Development**

#### **Information and Technical Assistance:**

The Division continues to present information on system reform to consumers and families, providers, public and private agencies and other system stakeholders. Throughout the quarter, staff of the Division made numerous presentations to or attended meetings with interested organizations.

### **4. Local Business Plans**

The Division began the completion of preliminary on-site visits to phase-three Area Programs regarding their Local Business Plans

## **5. Services and Programs**

The current status of the renovation projects to establish acute detox/crisis capacity at the three state operated Alcohol and Drug Abuse Treatment Centers (ADATCs) is as follows:

The Office of Property and Construction has decided to pursue bringing a water line to the JFK ADACT from the Black Mountain Center. Drawings have been completed and bids will be sought, once permission is granted to cross the property between the two facilities the project will proceed to bid.

The architect for Walter B. Jones ADACT project has received approval of the drawings from the Department of Insurance and State Construction. It is anticipated that the project will go to bid in October of 2003. Construction is likely to begin in January with project construction duration of 10 months.

Permission to rename the Butner ADACT in honor of Dr. J. R. Blackley, former Division Director, has been obtained. A dedication ceremony will be held on the campus on October 24, 2003. The Office of Property and Construction received a copy of the approval letter from the Department of Insurance and authorized the architect to issue drawings the week of October 6, 2003. Pre bid meetings will be held the week of October 13, 2003. Construction bids are due to the Office of Property and Construction in the last week of October. Project duration is estimated to be 120 days, which would make the space available to operate, by the end of February 2004.

### **Funding to Support Expansion of Community Capacity:**

Allocations were made to Area Programs of savings from state hospital bed downsizing activities concluded in state fiscal year 2003, which resulted in the closure of 142 long-term beds. A total of \$7,544,903 was allocated across the Area Programs to provide ongoing support of service expansion to meet the needs of those individuals who were discharged from downsized hospital beds and those individuals who would have used those beds.

Planning for community services expansion to support hospital bed downsizing in state fiscal year 2004 began in early September. A process similar to that used in state fiscal year 2003 is being used to plan for expansion. This process included identifying Mental Health Trust Fund start-up funding needs and allocating hospital savings after downsizing. In addition, the State Operated Services Section is continuing to provide oversight and approval of discharge planning for patients being released from long-term units that are being downsized this year. Hospital and Area Program staffs collaboratively develop comprehensive discharge and aftercare plans, which are reviewed for approval or revision by the Section. This process ensures that all the key services in the community, including residential setting, is in place and ready to receive individuals leaving long-term units. During state fiscal year 2004, 184 beds are planned for closure; these include 137 long-term psychiatric beds and 47 nursing facility beds.

Staff from State Operated Services and the Department of Health and Human Services met with the Eastern Area Treatment Program staff to announce the decision to close the unit at the NC Special Care facility in Wilson, North Carolina. The unit will be officially closed on October 6, 2003. All seven clients residing at the Eastern Area Treatment Program have been successfully placed in the community with the allocated State CTSP/At-Risk funding following each of the seven clients as they were appropriately transitioned back to the community. The remaining Eastern Area Treatment Program current program funding will be allocated to the LMEs/APs for additional community expansion funds.

## **6. Administration and Infrastructure**

### **Service Definitions and Licensure Rules:**

The final draft of the adult mental health, developmental disabilities, substance abuse, and child mental health service definitions were completed during this quarter. These new service definitions reflect the implementation of the State Plan and best practice services and supports. The draft service definitions were completed, and released for public comment for a 30-day period. Initial discussions with the Division of Medical Assistance regarding Medicaid payment for the new service array have begun.

## **7. Financing**

### **Mental Health Trust Fund:**

The Mental Health Trust Fund continues to be used to assist in reform and community expansion. As of September 30, 2003, \$16,215,717 has been used for the following: bridge funding to area programs associated with hospital downsizing, hospital replacement planning, funding to area programs/counties for IPRS conversion and Local Business Plan development, Olmstead planning assessments and oversight, training regarding reform and consultant contracts.

### **Integrated Payments and Reporting System:**

At this time all Area Programs, except Riverstone and Piedmont, are in production and using the Integrated Payments and Reporting System. In addition, significant work was completed on the system related to HIPAA compliance.

## **8. Progress in Addressing Barriers to System Reform**

This section of the report reflects progress in addressing barriers to system reform. The identified barriers were included in previous quarterly reports.

1. Statutory changes were required regarding confidentiality to reflect changes in HIPPA, IPRS implementation and the acknowledgement of county programs in the statutes where confidentiality is cited.

*Update*

*Legislation on confidentiality was passed by the General Assembly.*

2. Local business plans submitted by some Phase I programs have identified ways to enhance reform implementation. Before moving forward with statewide implementation on these ideas, piloting will likely be necessary. When necessary, legislation to pilot alternatives to existing statutes/rules will be proposed.

*Update*

*Legislation on 1<sup>st</sup> level commitment evaluations and funding integration was passed by the General Assembly.*

### **9. Session Law 2001-437, Section 3 Reporting Requirements**

Pursuant to the requirements of Section 3, (a), the status of the remaining items listed in this section are:

#### **Section 3(a)(3) Oversight and Monitoring Functions:**

Pursuant to SB 163, area authorities or county programs are responsible for monitoring the provision of Mental Health, Developmental Disability and Substance Abuse Services for compliance with the law in cooperation with the Department. These activities are part of a spectrum of quality assurance activities. Temporary rules went into effect on July 1, 2003.

As reported to the LOC in the first quarter, the SB 163 Report was distributed to the legislature. This report outlines steps taken for implementation of SB 163 that includes rule drafting and tracking requirements. As recommended in the Report, legislation has been introduced that addresses both technical changes to the bill as well as barriers identified as part of the implementation process. SB 926 was passed by the General Assembly and a Department steering committee has been established to guide the implementation of the statute.

#### **Section 3(a)(4) Service Standards, Outcomes and Financing Formula:**

These items remain under study and development.

#### **Section 3(a)(8) Consolidation Plan, Letters of Intent:**

As reported to the LOC in the first quarter, all letters were submitted timely. In addition to reports provided to the Secretary and the LOC, a progress report will be included in the July 2004 State Plan revision. Sandhills/Randolph merged effective July 1, 2003, Wayne merged with Duplin-Sampson-Lenoir, effective July 1, 2003. A management agreement was entered between Davidson and Piedmont on July 1, 2003, with full merger scheduled for January 2004. In addition, Trend/Blue Ridge/Rutherford-Polk are scheduled to merge January 2004.